



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
MICHIGAN BROADBAND DEVELOPMENT AUTHORITY  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
DAVID C. HOLLISTER, DIRECTOR

JAMES W. BUTLER, III  
VICE PRESIDENT

*For Immediate Release  
September 27, 2005*

*Contact: Paulette Porter  
517.241.2121*

## **Broadband Authority Loan a National Model for Use of Federal Dollars**

**Lansing:** The Michigan Broadband Development Authority (MBDA) today took another giant step forward in its drive to close the digital divide and advance Governor Jennifer M. Granholm's goal of completely wiring Michigan by 2007.

As part of the newly created Digital Divide Investment Program (DDIP), the Michigan Broadband Development Authority announced that it closed on a \$6 million dollar (\$5,790,613) loan to Arialink Broadband for the expansion of high-speed internet access in Muskegon County. As part of the program, a grant will also be awarded to Arialink once service is up and running throughout the region.

The project is the first of its kind in the entire country and will utilize Department of Housing and Urban Development/Community Development Block Grant (HUD/CDBG) resources for the expansion of broadband services to low-to-moderate income residents.

"The creation and implementation of this cutting-edge program is just another example of the innovative ways our Administration is working to leverage resources. We're thrilled that the federal government has faith in Michigan to pilot this program," said Michigan Department of Labor & Economic Growth (DLEG) Director David C. Hollister.

MBDA Vice President James W. Butler III said the DDIP program is a tremendous example of the power of partnerships. "We have cut across the silos both within state government and between state and federal programs to come up with a viable solution for broadband deployment to underserved areas," Butler said. "The Muskegon DDIP project could spur additional investment from HUD/CDBG, with Muskegon County providing a model for future projects that could bring affordable broadband services to low-to-moderate households across the state and the country."

Michigan Department of Information Technology Director Teri Takai said the project showcases Michigan as a broadband and innovation leader.

"We applaud the Broadband Development Authority for their leadership," Takai said. "The Broadband Authority will continue to play a critical role in meeting the Governor's vision of expanding broadband services to all reaches of the state."

As part of this DDIP project in Muskegon County, Arialink is planning a deployment of a hybrid fixed wireless and fiber network. In addition to the \$6 million loan from the MBDA, Arialink will receive a project grant for up to \$2.2 million to make affordable high-speed internet access available to five low-to-moderate income rural communities—the village of Lakewood Club and the townships of Cedar Creek,

Egelston, Holton and Moorland. The company plans to have affordable high-speed broadband available to all households in these five areas by the fall of 2006.

The DDIP program will make broadband service more readily available to low-to-moderate income residents within Muskegon County by offering entry level broadband service for a far lesser price than what is currently available.

“Our company is excited about being the nationwide model for a project like this. The combination of the MBDA loan and the federal grant dollars will help us to deploy our broadband solution to more people in a timelier fashion,” said Jason Schreiber, CEO of Arialink.

Upon completion, this project could expand Michigan’s fiber infrastructure in an area of the state that has limited access. Fiber is a high-speed data medium, which has virtually infinite capacity. The increased availability of this resource could help attract new businesses to the area as well as expand the capabilities of existing businesses, governmental agencies, and educational institutions.

##

Digital Divide Investment Program: Created as a partnership between the MBDA, HUD and MEDC, the purpose of the program is to provide incentives to companies to provide affordable high-speed broadband service to low and moderate income areas of the state.

Arialink: Headquartered in Lansing, Arialink offers last mile internet solutions, wireless, DSL, T1, DS3 and fiber connections as well as virtual private network and disaster recovery services.

MBDA: An agency in the Michigan Department of Labor & Economic Growth, the MBDA was created to help the state attract more private sector investment in high-speed, Internet infrastructure, and to increase demand for and utilization of broadband services. More information about the Michigan Broadband Development Authority and its programs can be found at [www.broadbandauthority.org](http://www.broadbandauthority.org).

